

SPRINGFIELD HOSPITAL

PO BOX 2003

SPRINGFIELD, VT 05156

August 16, 2017

Vermont Legal Aid, Inc.
264 North Winooski Ave
Burlington, VT 05401

Re: HCA Pre-Hearing Questions

Dear Ms. Shaw and Kuiper,

Below are the responses to the questions from your letter dated August 9, 2017.

1. ACO participation – We are in discussions at this point but no decision has been made
2. a. The maximum risk would be \$2 million
 - b. If we are over for the at risk population then we would be over for the total population and would have the funds to pay back the at risk pool
 - c. Any savings would be used to continue to fund operations
 - d. There is only one provider incentive in the hospital and it is RVU related to one Ortho Surgeon all Primary Care is provided in the local FQHC, no Primary Care Providers (PCPs) are employed by the hospital.
3. Capitated payments – Springfield Hospital does not participate in any capitated payment agreements at this time.
4. Incentive payments – The only incentive payment is the one described in 2 d. There has been no change in several years.
5. Pharmaceutical incentives – We do not encourage or participate in any pharmaceutical schemes.
6. Shared Decision Making – Springfield medical Care Systems (SMCS) is committed to shared decision making. Shared decision making occurs throughout Springfield Hospital guided by Case Management, the distribution of educational materials and through the family meeting process. SMCS OB clinic services have implemented shared decision making. The focus is to provide information sharing and shared decision making for birth control and family planning. SMCS OB clinic services work closely with the VT Blueprint and the Women's Health Initiative.
7. Choosing Wisely - SMCS has adopted "Choosing Wisely" initiatives. SMCS provides patient educational materials in plain language to assist patients in engaging providers with meaningful conversations and the decision making process. SMCS has implemented standardized protocols that

are based on best practice and achievable outcomes. SMCS quality measures continue to demonstrate that we are meeting and often exceed both national and state performance for outcome measures. Measurable cost savings is demonstrated by reduced hospital length of stay, reduced readmissions and reduced emergency department utilization.

8. Financial Assistance – Policy attached, see stats below. We do not track the reason for denial. The number of patients that apply is the same number that were screened.

Applications are for a family

We do not track denials. Most denials are because patients are above income guidelines

	Applications	Assistance	Denied
2014	678	654	24
2015	456	444	12
2016	624	612	9
Oct-Jul2017	570	560	10

Patients can access information and forms directly from our web site, case managers (for Inpatients) identify potential charity care cases and contact Patient Financial Services (PFS) who then sends someone to the patients room to discuss the application and there are posters in every practice and throughout the hospital that discuss charity care and provide contact information. We also contract with a local agency that provides navigator services to also help clients with the charity care application.

9. Commercial rates- Based on State reports we are well below State averages on most charges. We do not use any specific metrics when determining rates.

10. Setting prices – Rate increases are determined after volume and expenses are calculated. We then calculate what rate increase is needed to fund those expenses and any capital purchases for the following year. No specific metrics are used.

11. Inpatient Stats – see attached, as a CAH we do not track CMI/

Sincerely,

Scott Whittemore CPA

CFO

ATTACHMENT C - SMCS DENTAL DISCOUNT SCHEDULE

TIER ONE

Fam #	<=100% FPG		101-125% FPG		126-175% FPG		176-200% FPG		>200% FPG	
	Patient Pays \$10.00		Patient Pays 25%		Patient Pays 50%		Patient Pays 75%		Patient Pays 100%	
	From	To	From	To	From	To	From	To	From	More Than
1	0	\$ 12,060.00	\$ 12,061.00	\$ 15,075	\$ 15,076	\$ 21,105	\$ 21,106	\$ 24,120	\$ 24,121	
2	0	\$ 16,240.00	\$ 16,241.00	\$ 20,300	\$ 20,301	\$ 28,420	\$ 28,421	\$ 32,480	\$ 32,481	
3	0	\$ 20,420.00	\$ 20,421.00	\$ 25,525	\$ 25,526	\$ 35,735	\$ 35,736	\$ 40,840	\$ 40,841	
4	0	\$ 24,600.00	\$ 24,601.00	\$ 30,750	\$ 30,751	\$ 43,050	\$ 43,051	\$ 49,200	\$ 49,201	
5	0	\$ 28,780.00	\$ 28,781.00	\$ 35,975	\$ 35,976	\$ 50,365	\$ 50,366	\$ 57,560	\$ 57,561	
6	0	\$ 32,960.00	\$ 32,961.00	\$ 41,200	\$ 41,201	\$ 57,680	\$ 57,681	\$ 65,920	\$ 65,921	
7	0	\$ 37,140.00	\$ 37,141.00	\$ 46,425	\$ 46,426	\$ 64,995	\$ 64,996	\$ 74,280	\$ 74,281	
8	0	\$ 41,320.00	\$ 41,321.00	\$ 51,650	\$ 51,651	\$ 72,310	\$ 72,311	\$ 82,640	\$ 82,641	

TIER TWO

Fam #	<=100% FPG		101-125% FPG		126-175% FPG		176-200% FPG		>200% FPG	
	Patient Pays 40%		Patient Pays 50%		Patient Pays 60%		Patient Pays 80%		Patient Pays 100%	
	From	To	From	To	From	To	From	To	From	More Than
1	0	\$ 12,060.00	\$ 12,061.00	\$ 15,075	\$ 15,076	\$ 21,105	\$ 21,106	\$ 24,120	\$ 24,121	
2	0	\$ 16,240.00	\$ 16,241.00	\$ 20,300	\$ 20,301	\$ 28,420	\$ 28,421	\$ 32,480	\$ 32,481	
3	0	\$ 20,420.00	\$ 20,421.00	\$ 25,525	\$ 25,526	\$ 35,735	\$ 35,736	\$ 40,840	\$ 40,841	
4	0	\$ 24,600.00	\$ 24,601.00	\$ 30,750	\$ 30,751	\$ 43,050	\$ 43,051	\$ 49,200	\$ 49,201	
5	0	\$ 28,780.00	\$ 28,781.00	\$ 35,975	\$ 35,976	\$ 50,365	\$ 50,366	\$ 57,560	\$ 57,561	
6	0	\$ 32,960.00	\$ 32,961.00	\$ 41,200	\$ 41,201	\$ 57,680	\$ 57,681	\$ 65,920	\$ 65,921	
7	0	\$ 37,140.00	\$ 37,141.00	\$ 46,425	\$ 46,426	\$ 64,995	\$ 64,996	\$ 74,280	\$ 74,281	
8	0	\$ 41,320.00	\$ 41,321.00	\$ 51,650	\$ 51,651	\$ 72,310	\$ 72,311	\$ 82,640	\$ 82,641	

For families with more than 8 persons, add \$4,180 for each additional person

2/22/2017

ATTACHMENT D - SMCS PHARMACY DISCOUNT SCHEDULE

Fam #	<=100% FPG		101-125% FPG		126-175% FPG		176-200% FPG		>200% FPG	
	100% Free		75% Free		50% Free		25% Free		0% Free	
	From	To	From	To	From	To	From	To	From	To
1	0	\$ 12,060	\$ 12,061	\$ 15,075	\$ 15,076	\$ 21,105	\$ 21,106	\$ 24,120	\$ 24,121	
2	0	\$ 16,240	\$ 16,241	\$ 20,300	\$ 20,301	\$ 28,420	\$ 28,421	\$ 32,480	\$ 32,481	
3	0	\$ 20,420	\$ 20,421	\$ 25,525	\$ 25,526	\$ 35,735	\$ 35,736	\$ 40,840	\$ 40,841	
4	0	\$ 24,600	\$ 24,601	\$ 30,750	\$ 30,751	\$ 43,050	\$ 43,051	\$ 49,200	\$ 49,201	
5	0	\$ 28,780	\$ 28,781	\$ 35,975	\$ 35,976	\$ 50,365	\$ 50,366	\$ 57,560	\$ 57,561	
6	0	\$ 32,960	\$ 32,961	\$ 41,200	\$ 41,201	\$ 57,680	\$ 57,681	\$ 65,920	\$ 65,921	
7	0	\$ 37,140	\$ 37,141	\$ 46,425	\$ 46,426	\$ 64,995	\$ 64,996	\$ 74,280	\$ 74,281	
8	0	\$ 41,320	\$ 41,321	\$ 51,650	\$ 51,651	\$ 72,310	\$ 72,311	\$ 82,640	\$ 82,641	

For families with more than 8 persons, add \$4,180 for each additional person

2/22/2017

Attachment B - SPRINGFIELD HOSPITAL MEDICAL DISCOUNT SCHEDULE

Family #	60040		60041		60042		60043		60044		60045	
	100% FPG Patient Pays Zero		120% of FPG Patient Pays Zero		140% FPG Patient Pays Zero		160% FPG Patient Pays Zero		180% FPG Patient Pays Zero		200% FPG Patient Pays Zero	
	From	To	From	To	From	To	From	To	From	To	From	To
1	0	\$12,060	\$12,061	\$ 14,472.00	\$ 14,473.00	\$ 16,884.00	\$ 16,885.00	\$ 19,296.00	\$ 19,297.00	\$ 21,708.00	\$ 21,709.00	\$ 24,120.00
2	0	\$16,240	\$16,241	\$ 19,488.00	\$ 19,489.00	\$ 22,736.00	\$ 22,737.00	\$ 25,984.00	\$ 25,985.00	\$ 29,232.00	\$ 29,233.00	\$ 32,480.00
3	0	\$20,420	\$20,421	\$ 24,504.00	\$ 24,505.00	\$ 28,588.00	\$ 28,589.00	\$ 32,672.00	\$ 32,673.00	\$ 36,756.00	\$ 36,757.00	\$ 40,840.00
4	0	\$24,600	\$24,601	\$ 29,520.00	\$ 29,521.00	\$ 34,440.00	\$ 34,441.00	\$ 39,360.00	\$ 39,361.00	\$ 44,280.00	\$ 44,281.00	\$ 49,200.00
5	0	\$28,780	\$28,781	\$ 34,536.00	\$ 34,537.00	\$ 40,292.00	\$ 40,293.00	\$ 46,048.00	\$ 46,049.00	\$ 51,804.00	\$ 51,805.00	\$ 57,560.00
6	0	\$32,960	\$32,961	\$ 39,552.00	\$ 39,553.00	\$ 46,144.00	\$ 46,145.00	\$ 52,736.00	\$ 52,737.00	\$ 59,328.00	\$ 59,329.00	\$ 65,920.00
7	0	\$37,140	\$37,141	\$ 44,568.00	\$ 44,569.00	\$ 51,996.00	\$ 51,997.00	\$ 59,424.00	\$ 59,425.00	\$ 66,852.00	\$ 66,853.00	\$ 74,280.00
8	0	\$41,320	\$41,321	\$ 49,584.00	\$ 49,585.00	\$ 57,848.00	\$ 57,849.00	\$ 66,112.00	\$ 66,113.00	\$ 74,376.00	\$ 74,377.00	\$ 82,640.00

Family #	60046		60047		60048		60049		60050		>300% FPG Patient Pays 100%	
	220% of FPG Patient Pays 10%		240% FPG Patient Pays 20%		260% FPG Patient Pays 30%		280% FPG Patient Pays 40%		300% FPG Patient Pays 50%		>300% FPG Patient Pays 100%	
	From	To	From	To	From	To	From	To	From	To	From	To
1	\$ 24,121.00	\$ 26,532.00	\$ 26,533.00	\$ 28,944.00	\$ 28,945.00	\$ 31,356.00	\$ 31,357.00	\$ 33,768.00	\$ 33,769.00	\$ 36,180.00	\$ 36,181.00	+
2	\$ 32,481.00	\$ 35,728.00	\$ 35,729.00	\$ 38,976.00	\$ 38,977.00	\$ 42,224.00	\$ 42,225.00	\$ 45,472.00	\$ 45,473.00	\$ 48,720.00	\$ 48,721.00	+
3	\$ 40,841.00	\$ 44,924.00	\$ 44,925.00	\$ 49,008.00	\$ 49,009.00	\$ 53,092.00	\$ 53,093.00	\$ 57,176.00	\$ 57,177.00	\$ 61,260.00	\$ 61,261.00	+
4	\$ 49,201.00	\$ 54,120.00	\$ 54,121.00	\$ 59,040.00	\$ 59,041.00	\$ 63,960.00	\$ 63,961.00	\$ 68,880.00	\$ 68,881.00	\$ 73,800.00	\$ 73,801.00	+
5	\$ 57,561.00	\$ 63,316.00	\$ 63,317.00	\$ 69,072.00	\$ 69,073.00	\$ 74,828.00	\$ 74,829.00	\$ 80,584.00	\$ 80,585.00	\$ 86,340.00	\$ 86,341.00	+
6	\$ 65,921.00	\$ 72,512.00	\$ 72,513.00	\$ 79,104.00	\$ 79,105.00	\$ 85,696.00	\$ 85,697.00	\$ 92,288.00	\$ 92,289.00	\$ 98,880.00	\$ 98,881.00	+
7	\$ 74,281.00	\$ 81,708.00	\$ 81,709.00	\$ 89,136.00	\$ 89,137.00	\$ 96,564.00	\$ 96,565.00	\$ 103,992.00	\$ 103,993.00	\$ 111,420.00	\$ 111,421.00	+
8	\$ 82,641.00	\$ 90,904.00	\$ 90,905.00	\$ 99,168.00	\$ 99,169.00	\$ 107,432.00	\$ 107,433.00	\$ 115,696.00	\$ 115,697.00	\$ 123,960.00	\$ 123,961.00	+

For families with more than 8 persons, add \$4,180 for each additional person

2/22/2017

 Springfield Medical Care Systems, Inc. <i>Where People Come First</i>	Administration Patient Financial Services Administrative	
	Name:	FINANCIAL ASSISTANCE POLICY
	Start Date:	01/19/2010
	Approval Date:	02/27/2017

Policy Body

FINANCIAL ASSISTANCE POLICY

I. OVERVIEW:

Springfield Medical Care Systems (SMCS) is a non-profit healthcare corporation serving portions of Windsor and Windham Counties, Vermont and portions of Sullivan and Cheshire Counties, New Hampshire. SMCS operates the SMCS Community Health Center (CHC) network which provides primary and preventative care at community health center locations dispersed throughout the service area. A subsidiary of SMCS, Springfield Hospital, (with campuses in Springfield and Bellows Falls, VT) provides acute care services, including mental health, and also operates specialty physician practices.

SMCS is committed to meeting the needs of the residents of its defined service area regardless of insurance status or ability to pay. Under no circumstances would SMCS withhold emergent medical care to any individual based upon insurance status, ability to pay or any other criteria.

II. SCOPE AND PURPOSE:

- A. To specify the criteria for identifying individuals that are eligible to receive services rendered by SMCS either free of charge (i.e.: 100% discount) or at partially discounted rates.
- B. Patients qualifying under the Financial Assistance Policy (FAP) will be exempt from liability for the determined discount.
- C. The FAP applies Federal Poverty Guidelines, updated annually, adjusted for household size, to identify patients with a documented inability to pay for either the entirety or for a portion of the services rendered. Individuals that receive a partial discount are liable for balances not discounted and will be subject to collection efforts by SMCS for the balance due after discount.
- D. The FAP does not apply to elective or cosmetic services or services that are not medically necessary. Patients are encouraged to inquire prior to the rendering of services as to whether or not a service qualifies for the FAP.

III. GENERAL REQUIREMENTS:

- A. Financial assistance will be granted only after the submission of a signed application for financial assistance by the patient, relative, legal guardian, power of attorney, or SMCS

Patient Financial Counselor with written authorization from the patient. The application must be received by SMCS within thirty (30) days of the furnishing of the application.

- B. There is no residency requirement for medical services provided by the SMCS community health center network (CHC).
 1. In order to be eligible for financial assistance for services provided by Springfield Hospital, the patient/guarantor must be a resident of the State of Vermont, or Sullivan or Cheshire counties in New Hampshire. Applicants who reside outside Vermont or the indicated New Hampshire counties, and who have been deemed eligible for assistance for CHC services, may also be deemed eligible for Springfield Hospital assistance.
 2. In order to be eligible for financial assistance for dental services or the 340B prescription drug program, applicants must have selected the CHC as their primary care provider or reside in one of the following Vermont towns: Andover, Athens, Baltimore, Cavendish, Chester, Grafton, Jamaica, Landgrove, Londonderry, Ludlow, Mt. Holly, Peru, Plymouth, Reading, Rockingham (Bellows Falls), Springfield, Stratton, W. Windsor, Weathersfield, Westminster, Weston, Windham and Winhall or NH towns of Acworth, Alstead, Charlestown, Langdon, and Walpole.

*See attachment A for the SMCS medical discount schedule, attachment B for the Springfield Hospital medical discount schedule, attachment C for the SMCS dental discount schedule, and attachment D for the SMCS pharmacy discount schedule.

- C. Neither SMCS or its agents shall pursue collection actions against patients for amounts qualifying for financial assistance. However, any balance remaining after discount that goes unpaid will cause the forfeiture of the original discount and SMCS will pursue collection of the full amount of charges prior to the application of the discount.
 1. Springfield Hospital will not charge eligible patients more for emergency or other medically necessary services than the amount generally billed (AGB) to patients who have Medicare. The amount generally billed (AGB) is calculated based on the percentage of what Medicare allows for services billed in a 12 month period. The percentage calculated will be multiplied times the total charges on the claim to arrive at the AGB. See sample methodology attached.
 2. Patient balance will hit the self pay category on discharge if the patient is uninsured or after insurance has processed and a statement is then generated.
 3. Statements will contain contact information regarding inquiries for financial assistance and budget payments.
 4. Patient accounts may be sent to a collection agency for unpaid balances greater than 120 days and the patient has not applied for financial assistance.
 5. Credit bureau reporting can begin for unpaid balances greater than 240 days or for incomplete financial assistance applications.
- D. Applicants may qualify for financial assistance under the following circumstances.
 1. Federal Poverty Guidelines: The patient's and/or guarantor's income is equal to or less than the current approved SMCS income poverty guidelines included in the attachments to this policy and there are no other assets available to the patient which could be used in the settlement of Springfield Hospital charges only. A principal residence generally would not be considered an available asset in this regard. Springfield Hospital allows savings of up to \$10,000 for burial expense.
 2. Medicare Beneficiaries: Deductibles and coinsurances due from Medicare beneficiaries can be eligible for discount under the FAP assuming the patients submits an application and qualifies.

3. Medicaid Beneficiaries: Coinsurances due from Medicaid beneficiaries qualify for FAP. A Medicaid beneficiary need not complete a FAP application in order for coinsurances to qualify.
 4. Extenuating Circumstances: Accounts that fall outside of the established SMCS guidelines but involve extenuating circumstances can be approved by the Director of Patient Business Services in consultation with the Chief Financial Officer.
- E. A patient who applies for financial assistance will receive a written notice of the determination of SMCS within 30 days of submission of the written application and all required supporting documentation.
- F. Once SMCS determines the patient to be eligible for financial assistance, this determination MAY be in effect for 1 year from the date of the initial determination. If approved for financial assistance, any and all changes regarding income, insurance status, family size, etc. must be reported to SMCS.
- G. SMCS shall not discriminate on the basis of race, color, national origin, ethnicity, religion, creed, sex, sexual orientation or age (for any persons beyond the age of majority) in its application of policies concerning the acquisition and verification of financial information, and eligibility for financial assistance.
- H. The patient and/or guarantor must cooperate fully with SMCS to explore and obtain all possible alternative insurance coverage, ie: Medicaid, Green Mountain Care, auto insurance settlements, Social Security, etc. SMCS has Patient Financial Counselors available to assist with the processing of these applications in a confidential manner.
- I. The patient and/or guarantor must provide proof that application has been made **and coverage denied** by New Hampshire Medicaid or Vermont Medicaid. In certain circumstances where the patient has provided all necessary documentation the SMCS Patient Financial Counselor can confidently determine that Medicaid eligibility cannot be obtained. In such instances, at the discretion of the SMCS Patient Financial Counselor, SMCS will accept an application for financial assistance without requiring proof of a Medicaid coverage denial.

IV. CRITERIA FOR NOTIFICATION AND ASSISTANCE OF THE AVAILABILITY OF FINANCIAL ASSISTANCE.

A. NOTIFICATION:

1. Patients will be made aware of the availability of the Financial Assistance Policy through the posting of signs in all registration areas throughout SMCS and in the Patient Business Services offices located at 100 River Street, Springfield, VT.
2. SMCS shall make available copies of the Financial Assistance Policy application at any and all registration areas where patients access SMCS services.
3. On an Inpatient admission that occurs outside the hours of operation of the registration department, the admitting office will be responsible for delivering the application to the patient the following day or as soon as possible.
4. SMCS will attempt to inform the public of its Financial Assistance Policy through the SMCS website ([www. SpringfieldMed.org](http://www.SpringfieldMed.org)) and/or use of public announcements paid advertising, etc.

B. ASSISTANCE:

SMCS will assist all patients with the completion of an application for Financial Assistance and whenever possible with applications for other programs such as Medicaid, Medicare Part D, etc. A patient may obtain confidential and compassionate

assistance at:

1. The SMCS Patient Business Services offices located at 100 River Street, Springfield, VT or by calling (802) 886-8950.
2. Valley Health Connections – Through an arrangement with SMCS assistance with applications is available through Valley Health Connections located at 268 River Street, Springfield, VT or by calling (802) 885-1616.

It is preferable that applicants call in advance and make an appointment and that they arrive with all requested documentation and the application completed to the best of their ability in advance.

V. DOCUMENTATION AND AUDIT:

1. Each financial assistance application shall be accompanied by patient documentation of all efforts made by SMCS to determine eligibility.
2. Financial Assistance application documentation shall be kept on file for a period of 5 years. After 5 years all paperwork will be permanently destroyed.

VI. DECISION OF ELIGIBILITY FOR FINANCIAL ASSISTANCE:

Patient Business Services will make the initial determination of eligibility for financial assistance using the above policy. This information will be recorded in writing in the appropriate section of the application forms.

Patient Financial Counselors will submit any applications for extreme hardship that fall outside the guidelines to the Director of Patient Business Services and/or the SMCS Chief Financial Officer to make the final determination on eligibility. An attestation may need to be provided by the applicant.

Document Link Manager

No Documents Linked No Documents Linked

Attachment Manager**Attachments List:**

Name	Size
<input checked="" type="checkbox"/> Medicare Log FY17 chairty calc.xls	31 KB
<input checked="" type="checkbox"/> 022217 Schedule A - SMCS Medical Discount Schedule.xls	31 KB
<input checked="" type="checkbox"/> 022217 Schedule B - SH Medical Discount Schedule.xls	43 KB
<input checked="" type="checkbox"/> 022217 Schedule C - Dental Discount Schedule.xls	35 KB
<input checked="" type="checkbox"/> 022217 Schedule D - SMCS Pharmacy Discount Schedule.xls	32 KB



Springfield Hospital

	<u>Actuals</u>	<u>Actuals</u>	<u>Budget 2017 Mid Year</u>	<u>Projections 2017</u>	<u>Budget 2018 Submitted</u>
	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2017</u>	<u>FY2018</u>
Statistics					
VT Community Hospital Metrics					
Utilization					
Average Daily Census	24.9	23.4	24.4	22.2	23.7
Average Length of Stay	4.1	4.1	4.1	3.8	3.9
Acute ALOS	4.3	4.3	4.3	4.0	4.1
Adjusted Admissions	9,034	9,792	8,198	9,206	8,716
Adjusted Days	38,859	42,001	35,636	36,965	35,940
Acute Care Ave Daily Census	23.5	22.2	23.0	20.9	22.2
Acute Admissions	1,994	1,894	1,930	1,902	1,968
Cost					
Cost per Adjusted Admission	6,158	5,636	7,216	6,069	6,861
Net Revenue per Adjusted Admission	6,191	5,478	7,215	5,733	6,812
Payer					
Dispr_pct_Tot_Net_pat_Rev	3.9%	3.0%	3.1%	2.9%	1.5%
Medicaid_pct_Tot_Net_pat_rev (inc dispr)	13.3%	13.6%	16.1%	15.5%	19.7%
Medicare_pct_Tot_net_pat_rev (inc dispr)	41.2%	28.9%	40.9%	35.4%	35.9%
Comm_self_pct_Tot_net_pat_rev (inc dispr)	41.6%	54.5%	40.0%	46.2%	42.9%